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Director - Rates & Treasury  
Delta Natural Gas Company, Inc.  
3617 Lexington Road  
Winchester, KY 40391

November 30, 2005

RE: Case No. 2005-00464

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/jc  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF DELTA NATURAL GAS )  
COMPANY, INC. TO ESTABLISH AN ENERGY ) CASE NO.  
ASSISTANCE PROGRAM RIDER SURCHARGE ) 2005-00464

O R D E R

On November 8, 2005, Delta Natural Gas Company, Inc. ("Delta") submitted a proposed tariff to implement a \$0.05 per Mcf surcharge for its residential customers. The purpose of the surcharge is to collect funds for an Energy Assistance Program ("EAP") that will be used to assist low-income customers in paying their natural gas utility bills. The details of the EAP, according to the cover letter accompanying Delta's tariff filing, will be determined by Delta along with local community action agencies. The effective date of the proposed tariff is December 8, 2005.

The Commission finds that the proposed surcharge will increase the total rate Delta charges its residential customers for gas service and that Delta should provide notice to its customers of the proposed surcharge in the manner prescribed in 807 KAR 5:011, Section 8. 807 KAR 5:011, Section 8 requires that notice be given on or before the application is filed with the Commission. The Commission is authorized to grant a deviation from this regulation for good cause shown.<sup>1</sup> Citing the projected high cost of natural gas this winter, Delta has requested that the Commission expedite this case. While we find that notice should be given, we also find that there is good cause to

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<sup>1</sup> See 807 KAR 5:011, Section 14.

accept the case for filing and to require that notice be given within 10 days of the date of this Order. The Commission further finds that additional proceedings are necessary to determine the reasonableness of the proposed surcharge and that such proceedings cannot be completed prior to the proposed effective date. The Commission intends to expedite our review of Delta's proposal and, to the extent possible, conclude this proceeding prior to the February 7, 2006 suspension date.

IT IS THEREFORE ORDERED that:

1. This case is established for the purpose of determining the reasonableness of Delta's proposed EAP surcharge.

2. The proposed EAP surcharge is hereby suspended for 2 months from December 8, 2005 up to and including February 7, 2006.

3. Within 10 days of the date of this Order, Delta shall provide notice of the proposed surcharge to its customers in the manner prescribed in 807 KAR 5:011, Section 8, but is granted a deviation from providing such notice prior to the acceptance of the filing of its proposed application.

4. At the time customer notice is given, Delta shall file a duplicate of the notice with the Commission.

5. Commission Staff shall schedule an informal conference with the parties to be held shortly after Delta's response to Commission Staff's first set of information requests to discuss the proposed surcharge.

6. Nothing contained herein shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.

Done at Frankfort, Kentucky, this 30th day of November, 2005.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal stroke at the end, positioned above a horizontal line.

Executive Director